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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ALLTEL SERVICE CORPORATION

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ORIGINAL
FILE

September 11, 1992

Office of the Secretary
ATTN: Ms. Donna R. Searcy
Federal Communications Commission
Washington, DC 20554

RE: In the Matter of Amendment of Parts 65 and 69 of the
Commission's Rules to Reform the Interstate Rate of Return
Represcription and Enforcement Processes, CC Docket 92-133

Dear Ms. Searcy,

Enclosed for filing by ALLTEL Service Corporation, on behalf of its 32 affiliated local exchange telephone companies, are an original and nine copies of its comments in the above referenced proceeding.

Should there be any questions concerning this matter, please contact the undersigned counsel.

Sincerely,

Carolyn C. Hill
Federal Regulatory Counsel

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Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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In the Matter of)
)
Amendment of Parts 65 and 69)
of the Commission's Rules to) CC Docket No. 92-133
Reform the Interstate Rate of)
Return Represcription and)
Enforcement Processes)

Comments of ALLTEL Service Corporation

ALLTEL Service Corporation (ALLTEL), on behalf of its 32 affiliated telephone operating companies, hereby submits its comments in response to the Commission's Notice of Proposed Rulemaking ("Notice"), released July 14, 1992, FCC 92-256, in the referenced proceeding..

The ALLTEL companies are small to mid-sized local exchange companies which operate in predominantly rural and suburban areas of 25 states. They,¹ along with many other local exchange carriers, participate in the National Exchange Carrier Association Carrier Common Line and Traffic Sensitive pools. Because they are all rate-of-return regulated companies, the ALLTEL companies will be affected by the adoption of any changes to the Commission's represcription and enforcement processes.

In the Notice, the Commission indicates that it proposes no change in its policy of prescribing a unitary, overall rate of return (Notice, p.7). In recognition of the fact that the majority of the rate-of-return regulated LECs participate in the NECA pools

¹ The one exception is ALLTEL Illinois, Inc., which has its own interstate access service tariff for traffic sensitive charges.

and NECA Tariff F.C.C. No. 5, ALLTEL supports the continuation of this policy because of the public interest benefits.

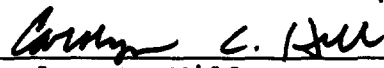
Any change in the current cost of capital surrogate will necessitate that the Commission employ different groupings or initiate numerous proceedings to determine, on an individual basis, the authorized rate of return. This, in ALLTEL's view, would not produce any discernible public interest benefits because while the business risks have not changed, rate of return LECs and the Commission would be faced with time consuming and inordinately expensive proceedings.

ALLTEL does believe, however, that the existing rate of return procedures and methodologies can and should be improved. Also, rate-of-return enforcement must be on a prospective basis, consistent with the requirements of the Communication Act of 1934, as amended, and existing case law. ALLTEL has worked closely with the United States Telephone Association (USTA) in the development of its comments which are being filed today and endorses those comments.

Respectfully submitted,

ALLTEL Service Corporation,
on behalf of its affiliated
telephone operating companies

By



Carolyn C. Hill
ALLTEL Service Corporation
1710 Rhode Island Ave NW Suite 1000
Washington, DC 20036

Its Attorney

September 11, 1992

Certificate of Service

I, Rita Ferrando, do hereby certify that on this 11th day of September 1992, copies of the aforementioned comments were served by hand on the following:

Ms. Cheryl Tritt
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street NW, Room 500
Washington, DC 20554

Mr. William A. Kehoe, III
Accounting and Audits Division
Federal Communications Commission
2000 L Street, NW, Room 257
Washington, DC 20554

Ms. Sonja J. Rifken
Accounting and Audits Division
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Rita Ferrando

September 11, 1992